

1 SENATE BILL 215

2 **47TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2006**

3 INTRODUCED BY

4 Kent L. Cravens

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8 FOR THE REVENUE STABILIZATION AND TAX POLICY COMMITTEE

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10 AN ACT

11 RELATING TO TAXATION; INCREASING PERSONAL INCOME TAX AND
12 CORPORATE INCOME TAX CREDITS FOR THE PURCHASE AND USE OF
13 ELECTRONIC AGE VERIFICATION EQUIPMENT.

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15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

16 Section 1. Section 7-2-18.8 NMSA 1978 (being Laws 2001,
17 Chapter 73, Section 1) is amended to read:

18 "7-2-18.8. CREDIT--CERTAIN ELECTRONIC EQUIPMENT.--

19 A. A taxpayer who files an individual New Mexico
20 income tax return, who is not a dependent of another
21 individual, is licensed by the state to sell cigarettes, other
22 tobacco products or alcoholic beverages and has purchased and
23 has in use equipment that electronically reads identification
24 cards to verify age, may claim a one-time credit in an amount
25 equal to [~~three hundred dollars (\$300)~~] one thousand dollars

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underscoring material = new
[bracketed material] = delete

underscored material = new
[bracketed material] = delete

1 (\$1,000) for each business location the taxpayer has such
2 equipment in use.

3 B. The credit provided in this section may only be
4 deducted from the taxpayer's New Mexico income tax liability
5 for the taxable year.

6 C. A husband and wife who file separate returns for
7 a taxable year in which they could have filed a joint return
8 may each claim only one-half of the credit provided in this
9 section that would have been allowed on a joint return.

10 D. A taxpayer who otherwise qualifies and claims a
11 credit pursuant to this section for equipment owned by a
12 partnership or other business association of which the taxpayer
13 is a member may claim a credit only in proportion to [~~his~~] the
14 taxpayer's interest in the partnership or association. The
15 total credit claimed by all members of the partnership or
16 association shall not exceed [~~three hundred dollars (\$300)~~] one
17 thousand dollars (\$1,000) in the aggregate for each business
18 location for which the partnership or association has purchased
19 equipment and has it in use."

20 Section 2. Section 7-2A-18 NMSA 1978 (being Laws 2001,
21 Chapter 73, Section 2) is amended to read:

22 "7-2A-18. CREDIT--CERTAIN ELECTRONIC EQUIPMENT.--

23 A. A taxpayer [~~who~~] that files a New Mexico
24 corporate income tax return, is licensed by the state to sell
25 cigarettes, other tobacco products or alcoholic beverages and

.159286.1

underscored material = new
[bracketed material] = delete

1 has purchased and has in use equipment that electronically
2 reads identification cards to verify age may claim a one-time
3 credit in an amount equal to [~~three hundred dollars (\$300)~~] one
4 thousand dollars (\$1,000) for each business location the
5 taxpayer has such equipment in use.

6 B. The credit provided in this section may only be
7 deducted from the taxpayer's New Mexico corporate income tax
8 liability for the taxable year.

9 C. A taxpayer [~~who~~] that otherwise qualifies and
10 claims a credit pursuant to this section for equipment owned by
11 a partnership or other business association of which the
12 taxpayer is a member may claim a credit only in proportion to
13 [~~his~~] the taxpayer's interest in the partnership or
14 association. The total credit claimed by all members of the
15 partnership or association shall not exceed [~~three hundred~~
16 ~~dollars (\$300)~~] one thousand dollars (\$1,000) in the aggregate
17 for each business location the partnership or association has
18 purchased equipment and has it in use."

19 Section 3. APPLICABILITY.--The provisions of this act
20 apply to taxable years beginning on or after January 1, 2006.